

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting

Lansing, Michigan

January 26, 2011

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met at the Aeronautics Building, 2700 Port Lansing Road, Lansing Michigan, on Wednesday, January 26, 2011, commencing at the hour of approximately 10:00 a.m.

Members Present

James Collins, Chair
Russ Kavalhuna, Vice Chair
Sidney Adams, Commissioner
Terry Everman, Commissioner
Jonathon Freye, Commissioner
Dan Atkinson, Designee – MSP
Leon Hank, Designee – MDOT
Robert Johnston, Designee – DMVA
Dave Brickey, Legal Counsel

Members Absent

Scott Heather, Designee – MDNRE

Staff Present

Dave Baker
Matt Brinker
Rick Carlson
Randy Coller
Kelly Crannell
Jennifer Forbes
Rick Hammond
Leanne Hengesbach
Pauline Misjak
Mark Noel
John Orban
Shelly Rathbun
Linn Smith
Tom Smith
Mike Soper
Betsy Steudle
Anu Taneja
Mary Kay Trierweiler
Lorraine White
Juan Zapata

Also Present

Jon Bayless, Grand Ledge
Eric Jaroch, Roscommon County
Kristin Judge, Washtenaw County
John Strehl, Antrim County
Ray VanderRoest, MPAOA
Jim Winstanley, Grand Ledge
Steve Zelle, MPAOA



I. OPENING REMARKS

The January 26, 2011, Michigan Aeronautics Commission meeting was called to order by Chairman Jim Collins at 10:05 a.m. Roll call was taken, Commissioner Heather was absent.

II. COMMISSION BUSINESS

A. Chairman Collins asked if there were any changes to the minutes from the November 17, 2010 meeting. Moved by Commissioner Everman and seconded by Commissioner Adams to approve the minutes of the November 17, 2010 meeting as written. The motion passed unanimously.

B. Chairman Collins asked Mr. Dave Baker to present the airport grants. Mr. Baker gave an overview of the 24 projects for funding approval.

1. Gratiot Community Airport, Alma
2. James Clements Airport Bay City
3. Southwest Michigan Regional Airport, Benton Harbor
4. Roben-Hood Airport, Big Rapids
5. Branch County Memorial Airport, Coldwater
6. Detroit Metropolitan Wayne County Airport, Detroit
7. Coleman A. Young Municipal Airport, Detroit
8. Gaylord Regional Airport, Gaylord
9. Abrams Municipal Airport, Grand Ledge
10. Grayling Army Airfield, Grayling
11. Greenville Municipal Airport, Greenville
12. Hastings City/Barry County Airport, Hastings
13. Hillsdale Municipal Airport, Hillsdale
14. Ionia County Airport, Ionia
15. Dupont-Lapeer Airport, Lapeer
16. Mackinac Island Airport, Mackinac Island
17. Schoolcraft County Airport, Manistique
18. Monroe Custer Airport, Monroe
19. Oscoda-Wurtsmith Airport, Oscoda
20. Oscoda-Wurtsmith Airport, Oscoda
21. Ray Community Airport, Ray
22. South Haven Area Regional Airport, South Haven
23. Three Rivers Municipal – Dr. Haines Airport, Three Rivers
24. White Cloud Airport, White Cloud

Chairman Collins asked if there were any questions. There were none. Moved by Commissioner Adams and supported by Commissioner Adams and supported by Commissioner Everman to approve the 24 transfers as presented by Mr. Baker. The motion passed unanimously.



Chairman Collins mentioned that Rick Hammond, Administrator for the Airports Division, will be sitting in for the Commission Director.

- C. Commissioner Collins called on Mr. Rick Hammond to give an updated report on unimproved airstrips and private airport liability.

Mr. Hammond gave an update to the on-going unimproved airstrip process. He reported on the new class of public use airports, referred to as Unimproved Airstrips, which will become public use airports but are limited improvement, no commercial activity, and generally intended for recreational or emergency use. He will also give a brief update on private use, privately owned airports.

He discussed a public hearing held on December 22, 2011. The public comment period was opened through the end of December, but no comments were received. He outlined the next step, which is Commission approval of the language of the new rules. These rules will be included in the administrative rules; since there were no public comments, no changes were made to the most recent version. Simultaneous to this action, the State Office of Administrative Hearing and Rules has already approved the language and placement of the rules and sent that on to the Legislative Services Bureau. They have 21 days in which to either make comment or accept the rules. At this point we are close to the end of the 21 day period. He encouraged questions from the Commission. The next step is to the Legislature, the Joint Committee on Administrative Rules. They will have an opportunity to look at the rules if there are concerns, and to make comments or suggestions. Mr. Hammond didn't see any issues with this particular set of rules. If this all passes, we will see a new class of public use airports Unimproved Airstrips, which are the same as the Class D airports, which we had in the past.

Mr. Hammond mentioned a recent meeting with the MPAOA in which their issues were discussed. Their major concern is liability to private airport owners. He asked if there were questions, and will ask for action to approve the language of the Administrative Rule Proposal as presented.

Commissioner Freye asked about the unimproved airstrip license standard, asking for clarification about the licensed airport manager, as opposed to saying that the manager has to be licensed by the Bureau of Aeronautics and Freight Services. Mr. Hammond referred to the Aeronautics Code, where the definition can be found.

As no other questions were raised, Chairman Collins entertained a motion to approve the proposal presented by Mr. Hammond. Moved by Commissioner Adams and supported by Commissioner Everman to approve the proposal, the motion passed unanimously.

- D. Commissioner Collins called on Mr. Linn Smith to present the Airport Approach Plan for Orban Air.

Mr. Smith announced that we have a new airport in our system that is licensed under the basic utility licensing criteria. As in the past, this airport approach plan requires commission approval. He briefly discussed the guidelines involved. The airport plan and the land use guidelines are included in today's meeting books. He is requesting approval of the plan. Vice Chair Kavalhuna asked if this still falls under the Michigan Tall Structures Act. Mr. Smith responded this is not being treated any differently; then gave details on the issue.

Moved by Vice Chair Kavalhuna and seconded by Commissioner Adams to approve the Airport Approach Plan for Orban Air as presented. The motion passed unanimously.

At this point Chairman Collins asked Commissioner Hank to join him at the podium, as he is leaving state service; Chairman Collins gave a brief outline of Commissioner Hank's background and presented him with a plaque to honor his involvement with the Commission.

III. REPORTS

A. Aeronautics Report.

Chairman Collins asked Ms. Pauline Misjak, Administrator of the Aviation Services Division, to give this report.

Ms. Misjak began the report with a budget update. She spoke of the aviation fuel tax revenue, first quarter 2010 vs. 2011. Our revenues continue to decline. We are continuing with cost cutting measures as in the past. We are hoping that some of the recent retirees can be replaced, but are not yet making a move on this issue. We continue to identify opportunities for efficiencies.

She reported on recent events, the GLIAC Conference which was held January 8, 2011. It was held for the first time at Eastern Michigan University, and had a one day format, with approximately 1,100 participants. Aeronautics had a booth at the conference that displayed our programs, safety issues, aeronautic charts, etc. She also mentioned classes for our pilots and mechanics and other areas of interest. The conference key note speakers were Test Pilot Terry Lutz and Astronaut Jack Lousma. Feedback from staff indicated it was a very good conference.

Referencing upcoming events, the 2011 Michigan Airport Conference is scheduled for February 16-17, 2011 at the Kellogg Center in East Lansing. This is jointly sponsored by the Michigan Association of Airport Executives and MDOT Aeronautics. Information on the conference has already been given to the Commissioners. This information is also on the Aeronautics website.

The MBAA/MAAE Legislative Day is scheduled for March 2, 2011. At this point we don't have specific details; that information will be sent out when received.



Vice Chair Kavalhuna asked if there is any new information from Director Steudle concerning the relationship of the Commission to MDOT as a whole. Commissioner Hank responded. He said at this point we won't see changes with the new Governor. He is proud that our Director is the only member of the Granholm cabinet that was reappointed. He understands the Aeronautics needs and issues, and has been a tremendous champion of aviation. Director Steudle is aware of the financial issue that we face and is committed to resolve the issue. Commissioner Hank added that the appointment of a new Aeronautics Director has slowed a bit since his own departure. He feels that the position will be filled shortly after his. Several people have expressed interest, both inside and outside of state government.

Vice Chair Kavalhuna asked about a time frame on when Director Steudle feels the Aeronautics Director position will be filled. Commissioner Hank indicated that it may be within one to two months; he wanted to acknowledge the fact that Myron Frierson has been named as MDOT's designee on the Commission on an interim basis. Commissioner Hank added that we are looking at the whole organization in trying to streamline as much as possible, while being under tremendous financial pressures, and are trying to find ways to provide the same or better service as a lesser cost.

B. Legislative Report

Chairman Collins asked Mr. Rick Hammond to give this report. Mr. Hammond indicated that during this interim period until a Director is named, he and Ms. Pauline Misjak are responsible for activities, rotating on a month-by-month basis.

He began his report on a hopeful note; on the second day of the new legislature, three bills were introduced that would supplement funding the aeronautics fund. As a follow-up to the budget report given by Ms. Misjak, we have known for a long time that the direction of our finances has been difficult. We recently submitted figures for a two-year budget; specific to aeronautics the 2013 numbers are disturbing. Specifically, in 2013 we will need to make an 11% reduction in our operating funds. Additionally, the aeronautics fund will be about at zero. The AIP programs, without replacing any postponed programs, and at the current program funding, we will not be able to make our federal match at today's levels. However, he is hopeful that the bills introduced will move forward. Mr. Hammond reported on the three bills, all sponsored by Representative David Agema, HB 4021, HB 4022, and HB 4025.

IV. PUBLIC COMMENT

Chairman Collins asked if any guests would like address the commission.

Mr. John Bayless, Airport Manager of Abrams Airport and City Administrator for Grand Ledge, introduced himself and Mr. James Winstanley, Chair of their Airport Commission. He thanked the commission for the appropriations and transfer for the Grand Ledge airport. He acknowledged and thanked the staff, mentioning Linn Smith, Dave Baker, and Chip Kraus; they appreciate the service for their agency, and great working relationship over the



past 12 years. They look forward to working with us in the future. He also congratulated Commissioner Hank on his new position.

Mr. James Winstanley commented that as an active pilot, he also appreciates the support in dealing with the issue of access and safety. This comes after his return to Michigan after having a career in the Navy and being in California. Vice Chair Kavalhuna asked Mr. Winstanley about aviation fuel taxes. Mr. Winstanley said that the cost of fuel is a consideration when planning trips. He has flown four times to the west coast in each of the past four years. Vice Chair Kavalhuna and Mr. Winstanley spoke about the strain between the AOPA and the Commission in regard to aviation fuel taxes, and whether they should be raised, changed, or devoted to the infrastructure. Vice Chair Kavalhuna thanked him for his opinion and information.

Mr. Steve Zelle spoke on behalf of the Michigan Private Airstrip Owners Association (MPAOA), which is moving forward with their liability project. He said that Representative Dave Agema, who is also a pilot, has pledged his support to their cause, and has told them that he would sponsor a bill on their behalf. When ready, the information will be presented to Rep. Agema. He indicated that MPAOA has been communicating with the Recreational Aircraft Foundation (RAF); this communication developed into getting more private airstrips involved. They have offered to assist on this issue. Ten other states have already passed similar legislation, adding non-commercial aviation activity to their recreational activity statutes. RAF has been instrumental in helping most of those states. He is aware that this will take a while; he appreciates the efforts of MDOT and the Commission. Mr. Zelle added his well wishes to Commissioner Hank; he appreciates his support to their cause. He then introduced Mr. Ray Vander Roest, Vice President of MPAOA.

Mr. Vander Roest has been flying since 1977. He is thankful for the amount of airports in Michigan. He spoke of the issue of liability on privately owned airstrips; not many people know, but there are 540 privately owned airstrips in Michigan. He thanked the Commission for their time.

Commissioner Hank thanked the Commission for the award. He spoke of his career with state government. He also spoke of his background and years on the Commission, thanking everyone that was courteous and patient with him, also thanking the staff. He has been honored to serve with the Commission.

The meeting was adjourned at 11:05 a.m.

Director

Chairman

Dated _____

